

SAPC - 15897 (Make
on-Original)

17 May 1957 Copy 4 of 6

RE: PL-PD Insurance, LAC Employees, as set forth
in your letter of 16 April 1957.

Dear George:

On receipt of your letter, we asked [REDACTED] to provide us
with a copy of the Administrative Memorandum you made reference to.
This he has done and its text is extracted as follows:

25X1A

"28 March 1957

DRIVER RESPONSIBILITY

"1. Persons who drive government vehicles are advised that their
responsibility to exercise due care and caution is operative as fully
in government vehicles as in private vehicles. In case of an accident
involving one of our personnel driving a government vehicle, deter-
mination will be made as to where responsibility for any damage
lies. Negligence while driving a government vehicle may make an
employee pecuniarily liable for damages done. "

I believe you will see from the above that this is not quite as restrictive
as I had been led to believe on reading your letter, and I expect that this
may, in part, be due to the fact that you undoubtedly received a condensed
version of the Memorandum rather than the exact text. I think that it
would have been better stated by [REDACTED] had he reflected some of the
following opinions which came out recently in the Armed Forces Information
Digest, Volume V, No. 5, for the month of May 1957.

25X1A

"Insurance for Government Vehicle Operators Not Needed

"TIG BRIEF, March 1957 - Personnel who drive Government vehicles
need not be concerned about commercial liability insurance coverage
while performing in an official capacity. In the opinion of the In-
spector General of the Air Force, no vehicle operator, military or
civilian, needs public liability insurance protection while on the
job. However, individuals may purchase commercial insurance if they
so desire.

"It was pointed out that during ten years of USAF history, not
one case has been recorded where an Air Force military or civilian
member suffered public liability pecuniary loss as a result of an
accident while performing duty as an Air Force vehicle operator."

- 2 -

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You will notice that the Inspector General's Brief states that there need be no concern for commercial liability insurance coverage "while performing in an official capacity". This merely means that if the individual is directed by competent authority to utilize a government vehicle in the conduct of his official business, he is not regarded as the liable party in the event of an accident. On the other hand, for example, if a civilian employee were to "borrow" a government vehicle without authority and, let us say, while under the influence destroys the vehicle or causes personal property damage to another government vehicle, government property or civilian property, he might face liability not only for the amount of the accident but for charges of theft of the car, etc. This, I believe to be fairly standard practice and should cause you no undue concern. I think it was this sort of thing that [REDACTED] was attempting to cover when he used the phrase (gross) "negligence while driving a Government vehicle may make an employee pecuniarily liable for damages done". 25X1A

In the case cited in your 16 April letter, therefore, it is our opinion that your employee who presumably acting in the line of duty backed up a flight line vehicle and damaged a private automobile should not, himself, be declared liable for the damages. Rather, an accident report should have been or should be completed within the Detachment in which a claim is lodged against the Government by the injured party who then shall entreat for the costs of the damages from the Government. Accordingly, we cannot as a general rule honor these damages as direct Project charges on the books here. In the unlikely event that an employee of your Company should get into a situation where competent authority charges him to have been grossly and wilfully negligent in the unauthorized operation of a Government vehicle which causes damages, I feel certain that you would regard that as an individual's liability for which neither Lockheed or the Government should be held pecuniarily responsible.

Please let me know if the above is of any help to you and if you are in general agreement with its contents.

Sincerely,

151 by [signature]
Jim

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SECRET